

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECEIVED
FEB 14 2007

---ooOoo---

Div. of Oil, Gas & Mining

LARGE MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between **Geneva Rock Products, Inc.** the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. **M/049/011** Which has been approved by the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the land affected by the mining operations in accordance with the Act and regulations, and the Operator is obligated to provide a surety in form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the Act and regulations, as they may be amended, and in accordance with the mining and reclamation plan (Reclamation Plan) approved by the Division all of the lands affected by the mining operations conducted or to be conducted pursuant to the approved Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:

☒ **APPROVED**

- A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and
 - B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the approved NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with an approved notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the approved NOI.
- 3. The Reclamation Plan is intended to establish methods, plans, specifications, and other details required by the Act and regulations as they pertain to the lands affected by mining operations, and no provision of the Reclamation Plan shall be interpreted to diminish the requirements of the Act and regulations. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI or Reclamation Plan, which are primarily intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
- 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
- 5. If the Surety expressly provides for cancellation or termination for non-renewal:
 - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or

B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act, the regulations, and the Reclamation Plan, as they may be amended. If the mining operations are modified or for any other reason vary from those described in the approved Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the approved Notice of Intention in accordance with the requirements of the Act and regulations, as amended and the Reclamation Plan, as amended. If the Division makes such finding, Operator may make request to the Division for a reduction in the amount of the surety. The Division, or the Board if the surety is in the form of a board contract, may permit such a reduction if it determines that the reduced amount will be adequate to ensure complete reclamation of the lands affected by the mining in accordance with the requirements of the Reclamation Plan, the rules and the Act, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to

maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.

10. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.
12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

☒ **APPROVED**

Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party, and that the Operator, if not a natural person, is an entity properly organized and in good standing under the laws of the United States and is registered with and authorized to do business in the State of Utah.

OPERATOR:

Geneva Rock Products, Inc

Operator Name

By A. Ray Gammell

Authorized Officer (Typed or Printed)

Vice President

Authorized Officer - Position

Alan Ray Gammell

Officer's Signature

2-14-07

Date

STATE OF Utah)

COUNTY OF Utah) ss:

On the 14 day of February, 2007, Alan Ray Gammell personally appeared before me, who being by me duly sworn did say that he/she is an officer (i.e. owner, officer, director, partner, agent or other (specify)) of the Operator and duly acknowledged that said instrument was signed on behalf of said Operator by authority of its bylaws, a resolution of its board of directors, or as may otherwise be required to execute the same with full authority and to be bound hereby.

Howard B. Watts

Notary Public

Residing at Orem, Utah

My Commission Expires: Aug. 12, 2009



☒ APPROVED

DIVISION OF OIL, GAS AND MINING:

By John R. Baza 2/27/07
John R. Baza, Director Date

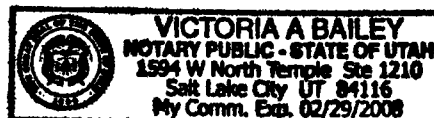
STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 27th day of February, 2007, John R. Baza
personally appeared before me, who being duly sworn did say that he,
the said John R. Baza is the Director of the Division of
Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he
duly acknowledged to me that he executed the foregoing document by authority
of law on behalf of the State of Utah.

Victoria A. Bailey
Notary Public

Residing at: SALT Lake City, UT

February 29, 2008
My Commission Expires:



FACT SHEET

Commodity: LIMESTONE

Mine Name: Pelican Point Quarry

County: Utah

Operator Name: Geneva Rock Products, Inc.

Operator Address: Post Office Box 538, Orem, Utah 84059

Operator Email: tchristofferson@clydeinc.com

Operator phone: 801-765-7800

Contact Name: Mr. Tony Christofferson

Contact email: tchristofferson@clydeinc.com

Contact phone: 801 802 6913

Surety Type: Reclamation Surety

Company: Travelers Casualty & Surety Co. of America

Surety Amount: \$ 497400.00

Account number: _____

Contact: Douglas Snow

Contact Phone: 801-685-6860

Contact email: dsnow@beehiveinsurance.com

Tax ID: _____ (required for cash)

May 24, 2006

Bond Number _____
Surety NAIC No. _____
Permit Number M/049/0011
Mine Name Pelican Point Quarry

ATTACHMENT A
To
RECLAMATION CONTRACT
BETWEEN PRINCIPAL AND DIVISION

☒ **APPROVED**

RECEIVED
FEB 20 2007
Div. of Oil, Gas & Mining

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

THE UTAH MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned Geneva Rock Products, Inc., as Principal,
a Corporation organized under the laws of the State of Utah and
Travelrs Casualty & Surety Company of America, as Surety,
a Corporation organized under the laws of the State of Connecticut, hereby
jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly
and severally, unto the State of Utah, Division of Oil, Gas and Mining ("Division") in the penal sum of
Four Hundred Ninety Seven Thousand Four Hundred and no/100 dollars (\$ 497,400.00).

This Surety Bond is provided to secure the obligations of the Principal, as set forth by the terms
and conditions of the Reclamation Contract, and any addendums thereto, to reclaim lands that will be
affected by mining operations as identified in the Notice of Intention received, or approved if
applicable, by the Division on the 2nd day of August, 19 96.

The lands that are covered by this Surety Bond are the Lands Affected by mining
operations as defined and described in the above Notice, and the Mining and
Reclamation Plan if required, subject to terms and conditions of the Reclamation
Contract.

The condition of this obligation is that if the Division determines that Principal has satisfactorily
reclaimed the disturbed lands in accordance with the Mining and Reclamation Plan or Notice and has
faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules
and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall

☒ **APPROVED**

Bond Number _____
Surety NAIC No. _____
Permit Number M/049/0011
Mine Name PELICAN POINT QUARRY

and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect. Failure of the Principal to fulfill the obligations specified by the Mined Land Reclamation Act and the Rules adopted there under, and in accordance with the specification of the Principal's Mining and Reclamation Plan or Notice, may result in forfeiture of this bond in accordance with the applicable statutes and regulations.

If the Mining and Reclamation Plan or Notice provides for periodic partial reclamation of the lands affected, and if the lands are reclaimed in accordance with such Plan or Notice, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond. In the converse, if the Mining and Reclamation Plan or Notice provides for a gradual increase in the lands affected or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety. The amount of reclamation surety may also be adjusted as a result of a periodic review by the Division, which shall take into account inflation/deflation based upon an acceptable Costs Index, or at the request of the operator.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Written notice to the Division and Principal as required by this paragraph shall be provided by certified mail or by a courier service that provides proof of delivery by signature of the recipient. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

Surety is licensed to do business in Utah and is rated by A. M. Best as A- or better or rated as having Financial Performance Rating (FPR) of 8 or better, and is listed in the U. S. Department of Treasury's Circular "570." Upon incapacity of the Surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, or upon failure to maintain the A. M. Best or FPR rating and listing on Circular "570", Principal shall be without adequate bond coverage as required by the Division and shall have 120 days after notice to replace the bond with other bonds acceptable to the Division. If the Principal does not replace this surety bond as required, the Division may order cessation of mining operations and commence actions to enforce its rights against the Surety. The Surety's liability shall continue and the Surety will remain fully liable for all reclamation obligations of the Principal incurred until this surety bond is forfeited, or the conditions of this obligation have been satisfied.

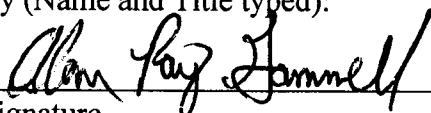
☒ APPROVED

Bond Number _____
Surety NAIC No. _____
Permit Number M/049/0011
Mine Name Pelican Point Quarry

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Geneva Rock Products, Inc.
Principal (Permittee)

Ray Gammell, Vice President
By (Name and Title typed):


Signature

February 12, 2007
Date

Surety Company

Travelers Casualty & Surety Co. of America
Surety Company Name

W. Douglas Snow
Surety Company Officer

Attorney-In-Fact
Title/Position


Signature

302 West 5400 South #101
Street Address

Murray, Utah 84107
City, State, Zip

801-685-6860
Phone Number

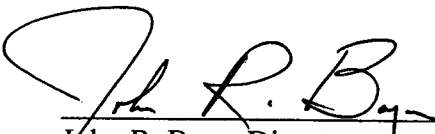
February 12, 2007
Date

Page 4
MR-SUR
Attachment A
(revised May 24, 2006)

Bond Number _____
Surety NAIC No. _____
Permit Number M/049/0011
Mine Name Pelican Point Quarry

SO AGREED this 27th day of February, 20 07.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:



John R. Baza, Director
Utah State Division of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

☒ APPROVED

Bond Number _____
Surety NAIC No. _____
Permit Number M/049/0011
Mine Name Pelican Point Quarry

AFFIDAVIT OF QUALIFICATION

On the 12th day of February, 20 07, W. Douglas Snow
personally appeared before me, who being by me duly sworn did say that he/she, the said
W. Douglas Snow is the Attorney-In Fact of
Travelers Casualty & Surety Company of America and duly acknowledged that said instrument was
signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and
said W. Douglas Snow duly acknowledged to me that said company executed the same, and that
he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized
to execute the same and has complied in all respects with the laws of Utah in reference to becoming
sole surety upon bonds, undertaking and obligations.

Signed: _____

Surety Officer

Title: Attorney-In-Fact

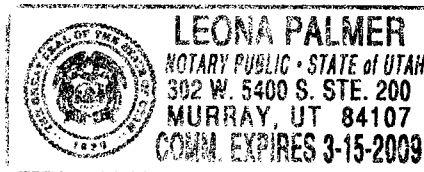
STATE OF UTAH)
) ss:
COUNTY OF SALT LAKE)

Subscribed and sworn to before me this 12th day of February, 20 07.

Leona Palmer
Notary Public
Residing at: Salt Lake

My Commission Expires:

March 15, 2009.





POWER OF ATTORNEY

Farmington Casualty Company
 Fidelity and Guaranty Insurance Company
 Fidelity and Guaranty Insurance Underwriters, Inc.
 Seaboard Surety Company
 St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
 St. Paul Mercury Insurance Company
 Travelers Casualty and Surety Company
 Travelers Casualty and Surety Company of America
 United States Fidelity and Guaranty Company

Attorney-In Fact No. 216327

Certificate No. _____

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

W. Douglas Snow, and D. Cory Payne

of the City of Murray, State of Utah, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 29th day of September, 2006.

Farmington Casualty Company
 Fidelity and Guaranty Insurance Company
 Fidelity and Guaranty Insurance Underwriters, Inc.
 Seaboard Surety Company
 St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
 St. Paul Mercury Insurance Company
 Travelers Casualty and Surety Company
 Travelers Casualty and Surety Company of America
 United States Fidelity and Guaranty Company



State of Connecticut
 City of Hartford ss.

By: _____

George W. Thompson, Senior Vice President

On this 29th day of September, 2006, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
 My Commission expires the 30th day of June, 2011.



Marie C. Tetreault
 Marie C. Tetreault, Notary Public

RECLAMATION SURETY ESTIMATE

Larson Limestone Company

Pelican Point Quarry

M/049/011

(o:/data/bonding/mine-4

last revision

08/18/97

filename m49-11.wb2

page "ESTIMATE"

Utah County

Prepared by Utah State Division of Oil, Gas & Mining

- This estimate is based on the reclamation plan in the LMO-NOI dated Aug. 2, 1996, revised April 30, 1997
- All structures & facilities to be dismantled, demolished & removed from the site as salvage or debris
- All concrete foundations & pads are to be crushed & removed from the site as product or debris
- Fill material from pad areas to be removed (as product or backfill) to expose approximate original contour
- "Facilities area" ripped to a 12" depth; quarry area ("Ten Year Mine Plan") ripped to practical depth
- Facilities area fertilized (if soil analysis prescribes); quarry area to receive 10 ton/acre composted manure
- Facilities area & quarry area to be drill seeded with the approved mix
- Quarry highwalls to remain "as is" TONY NEEDS TO REVISE OR ADJUST THIS

Note: actual unit costs may vary according to site conditions last unit cost update 08/18/97

-Amount of disturbed area which will receive reclamation treatments = 33.1 acres

-Estimated total disturbed area for this mine = 33.1 acres

Activity	Quantity	Units	\$/unit	\$
Safety gates, signs, etc. (mtls & installation)	0	sum	200	0
Demolition of buildings & facilities	100,000	CF	0.23	23,000
Debris & equipment removal - trucking	8	trips	48	384
Debris & equipment removal - dump fees	200	CY	6	1,200
Debris & equipment removal - loading trucks w/FE loader	15	hours	166	2,490
Demolition & debris removal - general labor	32	hours	15	480
Regrading facilities areas (est 50% of facilities area)	10.0	acre	415	4,150
Regrading waste dump slopes	0	CY	0.32	0
Ripping waste dump tops	0.0	acre	363	0
Ripping "facilities area"	20.0	acre	570	11,400
Ripping "10-yr mine plan" area	13.1	acre	570	7,467
Ripping pit access roads	0.0	acre	570	0
Creating safety berms or barriers around highwalls	1,000	LF	0.1	100
Ripping access roads - dozer	0.0	acre	570	0
Regrading access roads - dozer	0.0	acre	415	0
Sidecast mtl replacement on steep roads- trackhoe	0	LF	0.85	0
Surface drainage restoration or construction	1100	LF	0.1	110
replacing topsoil - dozer	0	CY	0.32	0
replacing topsoil - scraper	0	CY	0.32	0
replacing topsoil -truck, FE loader & dozer	0	CY	0.32	0
Mulching (2 ton/acre alfalfa)	0.0	acre	160	0
Composted manure (10 ton/acre)	13.1	acre	800	10,480
Fertilizing (100 lb/acre diammonium phosphate)	20.0	acre	90	1,800
Broadcast seeding (~20 lb/acre)	0.0	acre	170	0
Drill seeding (~13 lb/acre)	33.1	acre	220	7,282
Hydroseeding	0.0	acre	800	0
General site cleanup & trash removal (50% of total area)	16.6	acre	50	828
Equipment mobilization	3	equip	1000	3,000
Reclamation Supervision	5	days	356	1,780
		Subtotal		75,951
10% Contingency				7,595
		Subtotal		\$83,546
Escalate for 5 years at 2.52% per yr				11,071
		Total		\$94,616
		Rounded surety amount in yr 2002-\$		\$94,600
Average cost per disturbed acre =				\$2,858

ZIONS BANK

AMERICAN FORK OFFICE

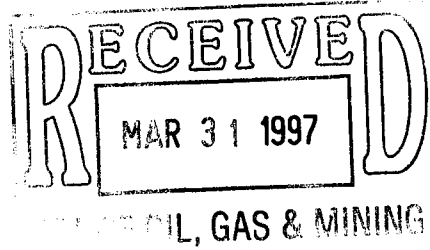
Zions First National Bank

606 East State Road

American Fork

Utah 84003

(801) 756-1444



March 28, 1997

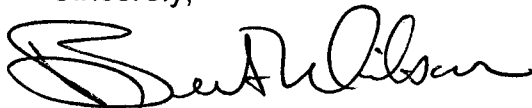
Division of Oil, Gas, & Mining

Atten: Tony Gallegos

Re: Reclamation of Larsen Limestone \$50,000. Bond

Zions First National Bank of American Fork has on deposit \$50,000.00 to be used as security until a bond is secured to meet the above requirement. Larson Limestone is at present working to secure a \$50,000 bond through Zions Insurance. The bond should be in place prior to 05/01/97. Zions Bank will pay on demand with this letter \$50,000.00 to the Bureau of Oil, Gas, and Mining upon default or if needed for reclamation of Larsen Limestone. This letter will expire at the time the bond is issued to Larsen Limestone for the Division of Oil, Gas, & Mining.

Sincerely,



Bert Wilson
Branch Manager